GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3755
ANSWERED ON:22.08.2005
HINDUSTAN ORGANIC CHEMICALS LIMITED
Singh Shri Sugrib

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Hindustan Organic Chemicals Ltd (HOCL) has suffered a loss in the operation of the Rasayani unit during the last three years;

(b) If so, the details there of and the reasons therefore;

(c) Whether the Government has changed the old technology and high cost of manpower in accordance to industry norms;

(d) If so, the details thereof; and

(e) The performance of the HOCL during 2004-05?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a): Yes, Sir.

(b): The details of losses incurred in Rasayani Unit of HOCL during the last three years arÂ§ as under:

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2002-03 (-) 72.69 crores
2003-04 (-) 188.08 crores
2004-05 (-) 75.04 crores
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HOCL had incurred losses due to cheaper imports on account of steep fail in import duties, higher maintenance cost, higher interest burden on account of money raised from the market by way of issue of Bonds for their expansion programme, etc.

(c) & (d): The process of rationalization of manpower has been initiated. HOCL had implemented voiuntary retirement scheme (3 times) twice during 1999 and 2001. Under the scheme a total of 686 employees opted for VRS thereby reducing the manpower cost by about Rs.14 crores.

As part of technology up gradation efforts, HOCL has developed a new chrome free environment friendly catalyst, which gives more yield of Aniline. This has resulted in a cost saving of about 3%.

(e): HOCL has made a net profit of Rs.6.40 crores in the year 2004-05.